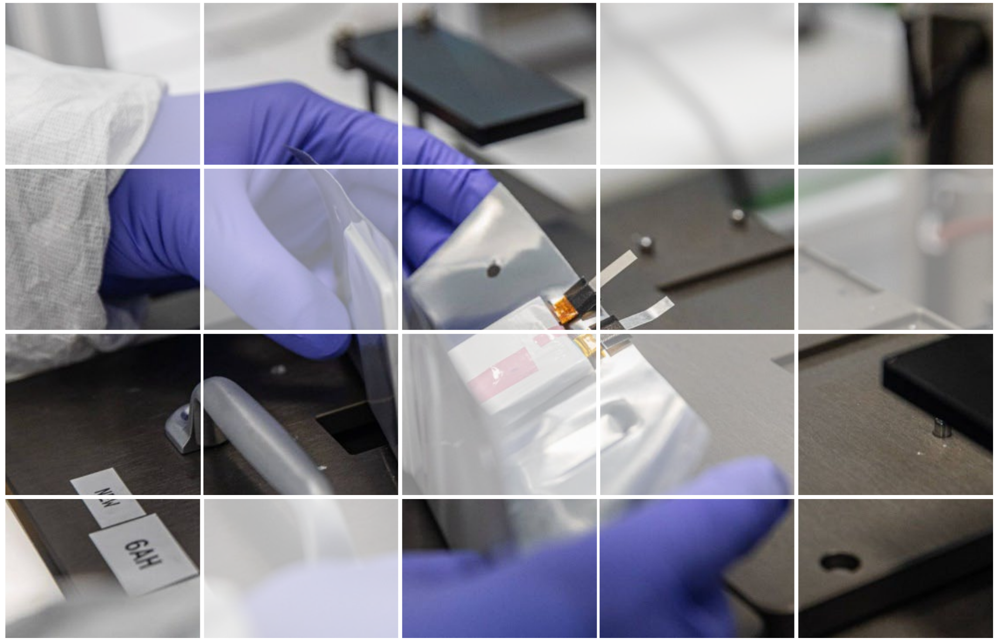
DRAGON GATE
INVESTMENT PARTNERS

SPACs Frequently Asked Questions and Case Study



2021.11

Xuan Luo, CFA   Dragon Gate Investment Partners

DRAGON GATE
INVESTMENT PARTNERS

Disclaimer

This report is only for informational purposes and does not purport to make any forecasts or predictions and nothing in this report should be construed as doing so. It is merely intended to help investors better understand the company in a research report format.

Dragon Gate Investment Partners prepared the information in this report. Dragon Gate Investment Partners has no obligation to inform you when information in this report changes.

This report is for information purposes only. Under no circumstances is it to be used or considered as a solicitation to buy or sell any securities. While the information contained herein has been obtained from sources we believe to be reliable, Dragon Gate Investment Partners does not represent that it is accurate or complete, and accordingly, should not be relied upon as such. Risk factors and actual results may differ significantly from the information contained herein. This report or any portion hereof may not be reprinted, sold, or redistributed without the written consent of Dragon Gate Investment Partners.

This report is prepared for Institutional Consideration Only. Estimates of future performance are based on assumptions that may not be realized. Past performance is not necessarily a guide to future performance.

Contents

Understanding the Basics of SPACs

SPAC vs. Traditional IPO

Overview of the De-SPAC Transaction

Case Study:
SES & Ivanhoe Capital Acquisition Corp. Case

Understanding the Basics of SPACs

What is a SPAC (Special Purpose Acquisition Company)?

A SPAC is an entity formed for the purpose of finding and completing a business combination. It offers an alternative method for a "target" private company to go public and raise capital.

SPACs are formed by sponsors with the experience and network allowing them to raise money in an IPO that can be used to acquire a business that can be run as a public company. (Such as hedge funds, private equity firms or venture capital firms.) The SPAC may have an industry focus.

A SPAC has a pool of cash available in a Trust Account and a public listing on a stock exchange and will look for a "Business Combination" with a private company that has a real operating business. Typically, the SPAC will own approximately 20% of the acquired company post-closing. The target company shareholders will ultimately hold a majority of the post-combination entity – often in excess of 80%.

The Trust Account cash is only available to the SPAC upon the consummation of the Business Combination. If it doesn't consummate a deal within during the 2-3 years, the Trust Account cash will revert to the SPAC stockholders. If a Business Combination is consummated, but an individual stockholder does not like the deal, the holder has the right to elect to have its shares redeemed for its pro rata share of the Trust Account at the time the transaction closes.

Key Terms

Sponsor

- Founding investors that lead the SPAC process.

Target

- Private company that is the target of an acquisition and ultimately becomes a public company after the merger is consummated.

De-SPAC

- The process that begins after a letter of intent (LOI) is executed and ends when the shareholders approve the transaction and the merger into the SPAC is consummated.

PIPE

- A means of raising additional capital after a target is identified to finance a significant portion of the acquisition price.

Lock-up period

- The period after an IPO in which certain shareholders are restricted from selling shares. The lock-up period for a SPAC IPO is typically longer than that for a traditional IPO. However, the typical lock-up period for target shareholders is 180 days from closing.

What Makes a SPAC Attractive to Investors?

In order to raise a blind pool fund for acquisitions, a SPAC's sponsors must **successfully complete their SPAC IPO**.

An investment in a SPAC IPO is often attractive to investors because it can **offer the upside of investing in a high-growth target company with downside protection** since shares sold in the IPO may be redeemed at the time of the de-SPAC closing if the investor does not like the deal.

A SPAC IPO is marketed based on a **combination of the experience, credibility and track record of the sponsor**, the investment thesis presented in the IPO prospectus, and the terms of the offering.

"SPACs have democratised the process, allowing the average retail investor to have an opportunity to invest alongside some of the greatest investors of all time."

BOB MCCOOEY,
SENIOR VICE PRESIDENT & GLOBAL HEAD OF CAPITAL MARKETS, NASDAQ

What is the SPAC's lifecycle?

Stage 1
Sponsor Organizes the SPAC and its IPO

Stage 2
Search for a Target for a Business Combination

Stage 3
Negotiating Business Combination with the Target Company and PIPE with new investors

Stage 4
Closing the Business Combination / PIPE

- At Stage 1, when the SPAC launches its IPO, public investors purchase a unit in the SPAC (comprised of one share and a warrant or a fraction of a warrant) for $10 per unit. The SPAC sponsor also receives shares and purchases warrants in connection with the IPO.
- Post-IPO, at Stage 2, the SPAC is essentially an empty shell with the sole aim of seeking out Target companies to acquire, in a similar manner to Private Equity firms searching for target deals.
- The last two stages are negotiating and consummating the Business Combination and the associated PIPE transaction.

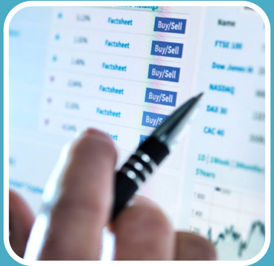
How are SPACs Capitalized?

Public Offering

•SPACs are initially capitalized through an IPO of units, with each unit typically consisting of one common share and a fraction of a warrant to purchase a common share.

Founder Equity

- The SPAC sponsor will typically purchase common shares in an amount equal to 20% of the shares outstanding post-IPO for a nominal amount of as low as $25,000. These shares are often referred to as the “founder shares” or the “promote.” In addition, sponsors will typically purchase warrants exercisable for common shares at the same strike price as the warrants issued to the public in the IPO.



PIPEs

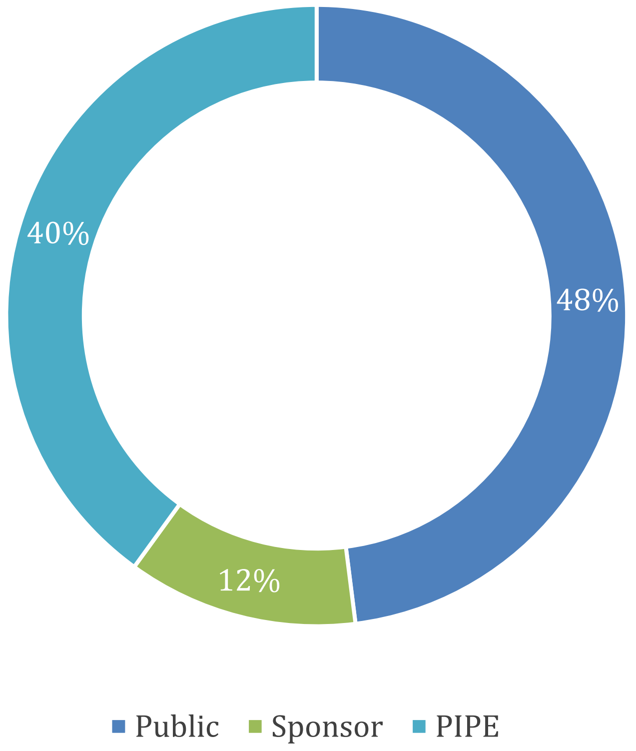
- In addition to the proceeds raised by the SPAC in its IPO, sponsors often raise additional capital through PIPEs, which funds may account for as much as two to three times the proceeds raised through the IPO. In some SPAC IPOs, investors will enter into forward purchase agreements, committing to invest in a future PIPE raised to fund the acquisition of the eventual target company.

Illustrative SPAC Cap Table (post-SPAC IPO)

post-SPAC IPO, before acquisition of target(1)

HOLDER	COMMON SHARES	WARRANTS
Public	30,000,000	10,000,000(2)
Sponsor	7,500,000	6,000,000(3)
PIPE	25,000,000(4)	0(4)

(1) Assumes no warrant exercises.
(2) Assumes each unit sold in the IPO includes one-third of a warrant.
(3) The sponsor purchases the founder warrants for an aggregate purchase price typically equal to 2% of the gross IPO proceeds plus approximately $2 million to cover offering expenses.
(4) Assumes a $250M PIPE in which 25,000,000 shares are sold for $10 per share, without warrant coverage.



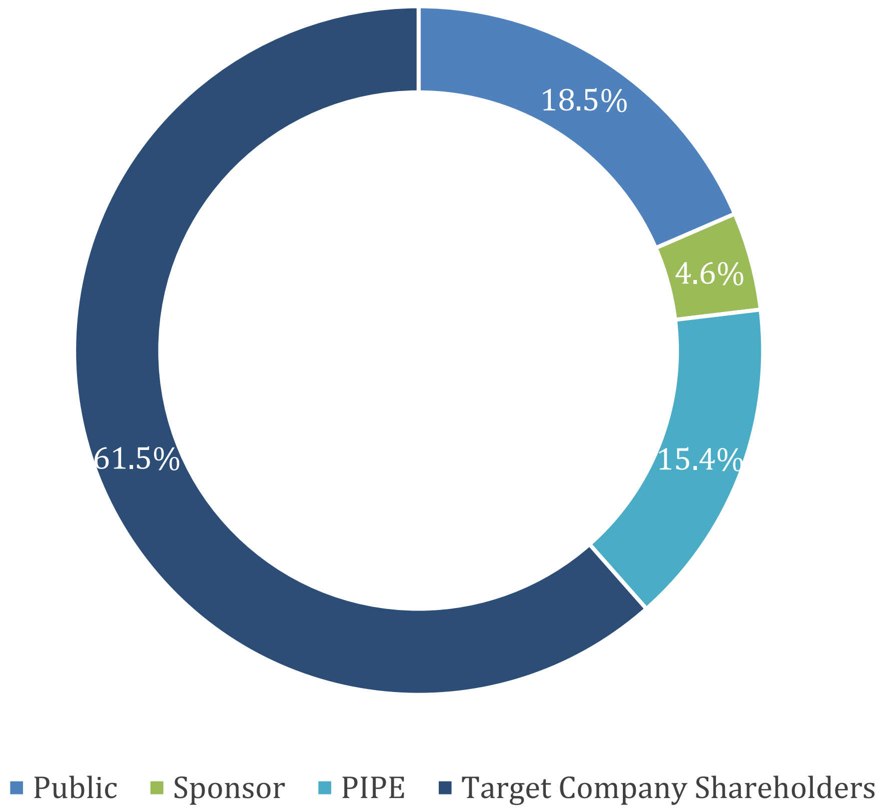
Source: Perkins Coie LLP

Illustrative SPAC Cap Table (post-de-SPAC)

post-closing after completion of de-SPAC(1)

HOLDER	COMMON SHARES	WARRANTS
Target Company Shareholders	100,000,000(2)	0
Public	30,000,000(3)	10,000,000(4)
Sponsor	7,500,000	6,000,000
PIPE	25,000,000(5)	0

(1) Assumes no warrant exercises. Does not give effect to any equity incentive pool.
(2) Assumes 100% stock deal and $1.0 billion equity value of shares held by target company shareholders.
(3) Assumes no redemptions.
(4) Assumes each unit sold in the IPO includes one-third of a warrant.
(5) Assumes a $250M PIPE in which 25,000,000 shares are sold for $10 per share, without warrant coverage.



Source: Perkins Coie LLP

What role do PIPEs play in SPAC transactions?

In the context of a SPAC, PIPE is a method that allows the SPAC to raise certain additional capital from private investors to **ensure that the SPAC has enough funds** to close on the acquisition of a target company and/or to **enable the SPAC to satisfy certain minimum cash conditions** that are required by the target company before the de-SPAC transaction closes.

The PIPE transaction and related funding usually occurs at the same time the SPAC merges with its target company, providing the SPAC much needed liquidity at closing. PIPE investors also play a role in validating the valuation of the target company that is negotiated in the de-SPAC transaction.

Special provisions may include to protect the PIPE investors

- consent rights for major corporate actions
- anti-dilution provisions
- conversion and redemption features
- preemptive rights
- rights to nominate members of the board of directors

Restrictions may impose to PIPE investors

- transfer restrictions
- lock-ups
- Standstills
- (Because PIPE typically dilutes the current shareholders of the SPAC, SPACs sometimes offer warrants to their initial shareholders to account for any such dilution)

Source: https://mcdonaldhopkins.com/Insights/July-2021/SPACs-and-private-investment-in-public-equity

SPAC vs. Traditional IPO

SPAC vs. Traditional IPO

	SPAC	IPO
Structure	**REVERSE MERGER** SPAC raises capital through a separate IPO to facilitate the search for a merger candidate, which typically is a private operating company, after SPAC merger, private company becomes public.	**PUBLIC OFFERING** New equity shares are listed on an exchange for the public to buy and sell.
Target Valuation	**ACCERLATED PRICE DISCOVERY** Target valuation is less volatile and known sooner in the process.	**DELAYED PRICE DISCOVERY** IPO valuation can be volatile and take time to determine.
Timing	**DEFINED** SPAC life cycle is typically 18 to 24 months. If merger timing is delayed or merger candidate is not viewed favorably, SPAC investors can redeem their original investment, and merger might not occur.	**NOT DEFINED** Timing can last from a few months to multiple years, depending on market conditions and organizational readiness.

SPAC vs. Traditional IPO

	SPAC	IPO
Marketing	**NO ROADSHOWS** Marketability is determined by shareholder vote.	**ROADSHOWS** Underwriters test the waters to generate investor interest.
Cost	**LOW UPFRONT, INDIRECT LATER** There are little to no underwriting and roadshow costs; sponsor’s promotion is a real but indirect cost.	**HIGH UPFRONT, ABSORBED LATER** Initial underwriter and roadshow costs are absorbed by the offering proceeds.
Reporting	**VARIES BY CIRCUMSTANCES** There are different legal reporting obligations and sometimes fewer financial reporting accommodations in registration.	**VARIES BY CIRCUMSTANCES** Financial reporting obligations and available accommodations differ based on specific circumstances and profile of the registrant.

What are the pros of a SPAC transaction compared to a IPO?

- A SPAC transaction may be available while the traditional IPO market closes or is less available
- Avoids a traditional underwriting process which can take longer and be less flexible
- Potential to structure in earn-outs to provide additional upside for existing Company stockholders if stock consistently performs above priced amount
- Potentially shortens process by 1-2 months, but only if the Company is prepared with all of its requisite disclosures, which are substantially similar to those in an IPO
- While transaction costs are typically substantial in SPAC deals, the pricing discounts may be more narrow than IPO underwriting discounts

Source: Gunderson Dettmer

What are the cons of a SPAC transaction compared to a IPO?

- A SPAC has a higher risk of not closing after announcement
- The public announcement comes earlier in the process so there is no opportunity to iterate with SEC confidentially
- PIPE and SPAC investors are not necessarily the same as traditional long-term focused IPO investors
- Sharing diligence materials with more than just underwriter counsel (e.g., PIPE investors)
- No underwriters or underwriter counsel to serve as "second set of eyes." SPAC personnel and counsel involvement typically less rigorous.
- Depending on a company's capital structure, the process of obtaining approvals from existing investors can be substantially more complex

Source: Gunderson Dettmer

Overview of the De-SPAC Transaction

What is the typical process and timeline for a SPAC transaction?

Step 1
(1-2 weeks)

- Target company engages Banker; Company negotiates and enters into LOI with SPAC

Step 2
(6-8 weeks)

- SPAC and Company negotiate merger agreement AND simultaneously conduct a PIPE financing; The merger and PIPE are publicly announced

Step 3
(2-3 months)

- SPAC goes through SEC registration process, similar to an IPO (timing assumes Company's audited financials and other key disclosures are ready)

Step 4
(2 weeks)

- Stockholder vote, redemption and closing

Note: The SEC review process for the proxy statement or S-4 is similar in scope and duration to an IPO. Also, the preparation of the required audited public company financial statements can take substantial time, as well as drafting a polished MD&A, Business section, Risk factors and other required disclosures that will present well to investors.

What are the Key Terms of a DE-SPAC merger agreement?

Valuation: The valuation of the target company for purposes of calculating the merger consideration to target company shareholders is fixed in the merger agreement. Where the parties disagree on valuation, an earnout may be used to bridge the gap, allowing target company shareholders to receive additional shares if the company's stock or operations meets certain milestones post-closing. Alternatively, or in addition, the parties may negotiate to subject a portion of the founder shares to vesting, with those shares being forfeited if milestones tied to stock price are not met.

Form of Consideration: As noted above, in today's market most de-SPAC transactions involve stock consideration as opposed to cash, but in some instances, at least a portion of the consideration may be in cash. Where the consideration will be stock, the target company should make sure that those shares are registered with the U.S. Securities and Exchange Commission (SEC).

What are the Key Terms of a DE-SPAC merger agreement?

Fiduciary Out: Like in public mergers, the target company in a de-SPAC transaction will frequently be able to negotiate for a “fiduciary out” that will allow the target company to terminate the merger agreement, subject to payment of a termination fee, if the target company’s board of directors determines that an alternative transaction represents a superior proposal to the target company’s shareholders.

Conditionality: A customary condition to the target company’s obligation to close the transaction requires the SPAC to have a minimum amount of cash available at closing. This condition is included to protect the target company from having to close a transaction in which redemptions by the SPAC’s public shareholders would result in the target company raising insufficient proceeds. SPACs will typically raise capital through PIPEs to ensure this condition will be satisfied at closing, but it may be a point of renegotiation if the PIPE proceeds are insufficient to make up the shortfall. Target companies should be prepared for this possibility of renegotiation and ensure that there is sufficient committed PIPE financing at the time of signing the business combination agreement.

SEC Filing and Financial Reporting Requirements

- For de-SPAC transactions where the merger consideration consists of shares of the SPAC, it is customary for the SPAC to file a registration statement on **Form S-4** to register the shares issued in connection with the de-SPAC transaction and obtain the approval of its shareholders.

- In most cases, the SPAC solicits shareholder approval of the de-SPAC transaction through a proxy statement, which will typically be combined with the Form S-4 as a joint **Form S-4 registration/proxy statement**.

- Once the acquisition closes, the SPAC will file a "**Super 8-K**," effectively the equivalent of an Exchange Act registration statement.

The financial reporting requirements include preparation of the following:

- Annual financial statements for the required periods in compliance with public company GAAP and SEC rules and audited under PCAOB standards. Entities may be required to provide three years of annual historical financial statements in certain circumstances.
- Interim financial statements for required periods.
- Pro forma financial information.
- MD&A and market risk disclosures.
- Other nonfinancial information for a Form S-4/proxy statement and a special Form 8-K ("Super 8-K").

Spotlight on Securities Law Matters

Insider Trading

- Because SPACs are publicly traded companies, certain information about a potential acquisition can potentially create issues related to securities laws and disclosures. It is critical that companies maintain confidentiality between the signing of an LOI and the consummation of the business combination agreement to avoid situations in which the SPAC has to make a public disclosure that potentially taints the process, and trading in the stock of the entity with nonpublic information (either the target or the SPAC) could potentially violate insider trading rules.

Form S-4/Proxy Statement Liability

- As with an S-1 registration statement in a traditional IPO, it is important that the SPAC and the target company provide complete and accurate disclosures to investors in the Form S-4/proxy statement, with no material misstatements or omissions of material fact. The Form S-4/proxy statement will be subject to extensive review by the SEC and would be reviewed by the plaintiff's firms in any potential claims based on inadequate disclosure.

Source: Cooley LLP

Spotlight on Securities Law Matters

Publicity Limitations

- The securities laws impose substantial restrictions on the manner of communications and publicity regarding the signing and announcement of a SPAC transaction. SEC rules allow companies to provide communications about a planned transaction before circulating the comprehensive disclosure documents (i.e., the proxy statements) to security holders; however, **certain transaction-related communications that are publicly disseminated or otherwise furnished to persons who are not parties to the transaction are required to be filed with the SEC** (on or before the date of first use). Transaction-related communications that may be captured by these rules **include press releases, scripts or recordings of conference calls or speeches, management Q&As, slide presentations, media articles, employee communications, and social media posts**. Targets should set up a system of internal controls to ensure proper review of all such public disclosures. Legal counsel should review all press releases and publicity, including product announcements, and should be consulted before interviews are granted or speaking engagements are accepted.

Source: Cooley LLP

Case Study:
SES & Ivanhoe Capital Acquisition Corp. Case

Business Combination Agreement- Parties

LISTED SPAC		TARGET COMPANY		LISTED "SUCCESSOR" COMPANY
Amalgamation Sub	+	**SES**	=	**Amalgamated Company**
Blind poor of cash raised by financial sponsor through IPO to acquire a private operating company		Fully operating private company		Value generation through highly incentivized management structure

"Ivanhoe"-Ivanhoe Capital Acquisition Corp., a Cayman Islands exempted company

"**Amalgamation Sub**" -Wormhole Merger Sub Pte. Ltd., a Singapore private company limited by shares and wholly owned subsidiary of Ivanhoe

"SES" -SES Holdings Pte. Ltd., a Singapore private company limited by shares

"Amalgamated Company"- SES surviving the Amalgamation as the amalgamated company

Business Combination Agreement- Domestication

Prior to consummation of the Business Combination, Ivanhoe will migrate out of the Cayman Islands and domesticate as a Delaware corporation (the "Domestication") and be renamed "**SES AI Corporation**" (Ivanhoe, following the Domestication, "**New SES**").

Ivanhoe	New SES
1 Class A ordinary share, par value $0.0001 per share	1 Class A common stock, par value $0.0001 per share
1 Class B ordinary share, par value $0.0001 per share	1 Class B common stock, par value $0.0001 per share
1 Ivanhoe warrant to purchase Class A ordinary shares	1 warrant to purchase shares of Class A common stock
1 Ivanhoe unit (1 Class A ordinary share and 1/3 warrant to purchase Class A ordinary shares)	1 unit of New SES (1 Class A common stock and 1/3 warrant to purchase shares of Class A common stock)

Immediately following the Domestication, each issued and outstanding share of Class B common stock will convert into one share of Class A common stock (the "**Conversion**").

https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_8k.htm

Business Combination Agreement- Payment to Target Shareholders

Total consideration to SES shareholders

$2,810,000,000

valued at $10.00 per share

payable in shares of New SES Class A common stock

Ordinary SES shares and preference shares of SES issued and outstanding immediately prior to the Effective Time

Be cancelled and automatically represent the right to receive a number of fully paid and nonassessable shares of Class A common stock equal to the **Exchange Ratio**, plus cash in lieu of fractional shares

SES Share held by the SES Founder Group issued and outstanding immediately prior to the Effective Time

Be cancelled and automatically represent the right to receive a number of fully paid and nonassessable shares of Class B common stock equal to the **Exchange Ratio**, plus cash in lieu of fractional shares. Following the Effective Time, each share of **Class B common stock will be entitled to 10 votes**, and each share of Class A common stock will be entitled to 1 vote

$$Exchange\ Ratio = \frac{281{,}000{,}000}{No.issued\ and\ outstanding\ SES\ Shares + No.Issuable\ Shares + No.Restricted\ Shares - No.Excluded\ Shares}$$

“Exchange Ratio” means the quotient obtained by dividing 281,000,000 by (a) the aggregate number of SES Shares that are issued and outstanding immediately prior to the Effective Time and that are issuable upon the exercise of all vested SES Options (as defined below) and SES Restricted Shares issued and outstanding as of immediately prior to the Effective Time minus (b) the Excluded Shares (SES Shares held in SES’s treasury).

Business Combination Agreement- Payment to Target Shareholders

SES restricted share that is issued and outstanding immediately prior to the Effective Time	Be assumed by New SES and converted into a number of shares of Class A common stock equal to the product (rounded to the nearest whole number of shares) of (A) the total number of SES ordinary shares subject to such SES Restricted Share immediately prior to the Effective Time multiplied by (B) the **Exchange Ratio**.
SES option that is outstanding and unexercised immediately prior to the Effective Time	Be assumed by New SES and converted into an option to acquire Class A common stock at an adjusted exercise price per share, with the number of shares of Class A common stock subject to each option determined by multiplying the number of SES Shares subject to the corresponding SES Option by the **Exchange Ratio** and rounding the resulting number down to the nearest whole number of shares of Class A common stock.

$$Exchange\ Ratio = \frac{281{,}000{,}000}{No.\,issued\ and\ outstanding\ SES\ Shares + No.\,Issuable\ Shares + No.\,Restricted\ Shares - No.\,Excluded\ Shares}$$

"Exchange Ratio" means the quotient obtained by dividing 281,000,000 by (a) the aggregate number of SES Shares that are issued and outstanding immediately prior to the Effective Time and that are issuable upon the exercise of all vested SES Options (as defined below) and SES Restricted Shares issued and outstanding as of immediately prior to the Effective Time minus (b) the Excluded Shares (SES Shares held in SES's treasury).

Business Combination Agreement- Earn-Out Shares

In addition to the consideration described above, the SES shareholders and optionholders will be entitled to receive **30,000,000 shares of Class A common stock** (valued at $10.00 per share) (the "Earn-Out Shares") if the closing price of shares of Class A common stock of New SES is equal to or greater than **$18.00** during the **period beginning on the date that is one year following the closing of the Business Combination (the "Closing") and ending on the date that is five years following the Closing.**

SES optionholders will receive their Earn-Out Shares in the form of **restricted shares** of New SES at Closing, which will be subject to **vesting** based on the same terms as the Earn-Out Shares and will also be subject to **forfeiture** if such optionholder's service with New SES terminates prior to the vesting.

Earn-Out: a provision written into some financial transactions whereby the seller of a business will receive additional payments based on the future performance of the business sold.

Vesting: Vesting is a legal term that means to give or earn a right to a present or future payment, asset, or benefit.

Forfeiture: Forfeiture is the loss of any property without compensation as a result of defaulting on contractual obligations, or as a penalty for illegal conduct.

https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_ex2-1.htm

Lock-up Arrangements

Ivanhoe Capital Sponsor LLC (the "Sponsor") and **Ivanhoe's directors and officers (the "Ivanhoe Insiders")** agreed to certain lock-up restrictions on the Class A common stock to be received by such parties in connection with the Domestication **(the "Subject Shares").**

The Sponsor and the Insiders agreed not to transfer, sell or assign the Subject Shares until the earlier of

(i) (v) with respect to 20% of such Subject Shares, until the date that is 180 days after the Closing;

(w) with respect to 20% of such Subject Shares, until the closing price of the Class A common stock equals or exceeds $12.00 for any 20 trading days within a 30-trading day period following the date that is 150 days after the Closing (the "**Requisite Trading Period**");

(x) with respect to 20% of such Subject Shares, until the closing price of the Class A common stock equals or exceeds $14.00 for the Requisite Trading Period;

(y) with respect to 20% of such Subject Shares, until the closing price of the Class A common stock equals or exceeds $16.00 for the Requisite Trading Period;

(z) with respect to the remaining 20% of such Subject Shares, until the closing price of the Class A common stock equals or exceeds $18.00 for the Requisite Trading Period.

(ii) the date on which New SES completes a liquidation, merger, capital stock exchange or other similar transaction after the Closing that results in all of the stockholders having the right to exchange their common stock for cash, securities or other property; provided that in the event that the per-share value of the cash, securities or other property to be received by the holders of Class A common stock in such liquidation, merger, capital stock exchange or other similar transaction (the "**Per Share Transaction Value**") is less than $18.00.

Lock-up Arrangements (Cont'd)

Ivanhoe Capital Sponsor LLC (the "Sponsor") and **Ivanhoe's directors and officers (the "Ivanhoe Insiders")** agreed to certain lock-up restrictions on the Class A common stock to be received by such parties in connection with the Domestication **(the "Subject Shares").**

The Sponsor and the Insiders agreed not to transfer, sell or assign the Subject Shares until the earlier of

(ii) the date on which New SES completes a liquidation, merger, capital stock exchange or other similar transaction after the Closing that results in all of the stockholders having the right to exchange their common stock for cash, securities or other property; provided that in the event that the per-share value of the cash, securities or other property to be received by the holders of Class A common stock in such liquidation, merger, capital stock exchange or other similar transaction (the "Per Share Transaction Value") is less than $18.00, then the Subject Shares will be released from these transfer restrictions to the Sponsor and the Insiders on a pro rata basis as follows:

(x) to the extent not previously released, all Subject Shares that are subject to release upon achievement of any share price performance requirements that are less than the Per Share Transaction Value will be released, and (y) the number of Subject Shares that would be released upon the achievement of the next share price performance requirement that is higher than the **Per Share Transaction Value** (the "**Release Threshold**"), multiplied by (b) a fraction, the numerator of which equals (x) 2, minus (y) the amount by which the Release Threshold exceeds the Per Share Transaction Value, and the denominator of which equals 2, will be released. Any Subject Shares not released pursuant to the preceding sentence will be forfeited and cancelled.

https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_8k.htm

Sponsor Letter Agreement

Concurrently with the execution of the Agreement, Ivanhoe entered into a letter agreement (the "**Sponsor Letter Agreement**") with the Sponsor, pursuant to which the Sponsor agreed to, among other things, (i) **vote** at any meeting of Ivanhoe's shareholders, and in any action by written resolution of Ivanhoe's shareholders, all of its Class B ordinary shares in favor of the Business Combination and the other proposals to be voted upon at the Ivanhoe shareholder meeting; (ii) **be bound** by certain other covenants and agreements related to the Business Combination and (iii) **waive the anti-dilution protection** with respect to the Class B ordinary shares, in each case, on the terms and subject to the conditions set forth in Sponsor Letter Agreement.

Source: https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_ex10-4.htm

Support Agreement

Concurrently with the execution of the Agreement, certain shareholders of SES representing the requisite votes necessary to approve the Business Combination entered into a support agreement (the "**Support Agreement**") with Ivanhoe, pursuant to which each such shareholder agreed to, among other things, (i) **vote** at any meeting of SES's shareholders, and in any action by written consent of SES's shareholders, all of its SES equity securities in favor of the adoption and approval of the Agreement and the transactions contemplated thereby, including the Amalgamation; (ii) **be bound** by certain other covenants and agreements related to the Business Combination and (iii) **be bound by certain transfer restrictions** with respect to such securities, in each case, on the terms and subject to the conditions set forth in the Support Agreement.

Shareholder Support Agreements means the support agreements between the Company and the Support Shareholders, pursuant to which such Shareholders have agreed to support and vote in favor of the resolutions required to give effect to the Recapitalization, including the Shareholders' Arrangement Resolution.

Source: https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_ex10-5.htm

Director Nomination Agreement and Board Observation Agreement

Concurrently with the execution of the Agreement, Ivanhoe and SES entered into a director nomination agreement (the "**Director Nomination Agreement**") with **General Motors Ventures LLC** ("GM"), pursuant to which, among other things, **GM will have the right to nominate one person for election to the New SES Board** from and after the Effective Time for so long as GM, together with its affiliates, collectively continue to beneficially own at least 5% of the fully diluted outstanding equity securities of New SES.

Additionally, concurrently with the execution of the Agreement, Ivanhoe and SES entered into a board observation agreement (the "**Board Observation Agreement**") with **Hyundai Motor Company** ("Hyundai"), pursuant to which, among other things, Hyundai **will have the right to appoint one person to act as a non-voting observer to the New SES Board** from and after the Effective Time for so long as Hyundai, together with its affiliates, collectively continue to beneficially own at least 2% of the fully diluted outstanding equity securities of New SES.

Source: https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_ex10-6.htm
https://www.sec.gov/Archives/edgar/data/0001819142/000110465921091431/tm2122015d1_ex10-7.htm

Thanks!

Thanks for reading Xuan's report, if you have any questions regarding the report, please contact xuan.luo@dgipl.com.

Xuan Luo, CFA

Finance Director
Dragon Gate Investment Partners

Address： 800 3rd Ave 11th floor, New York, NY 10022

Tel： +1(646) 801-2803

Email： info@dgipl.com

Website： www.dgipl.com